

DOCUMENT RESUME

ED 461 724

CE 082 762

TITLE Survey of Employer Views on Vocational Education and Training. Australian Vocational Education & Training Statistics, 2001. At a Glance.

INSTITUTION National Centre for Vocational Education Research, Leabrook (Australia).

SPONS AGENCY Australian National Training Authority, Melbourne.

ISBN ISBN-0-87397-769-6

PUB DATE 2001-00-00

NOTE 9p.

AVAILABLE FROM National Centre for Vocational Education Research, 252 Kensington Road, Leabrook, South Australia 5068, Australia (Cat no. 669). Tel: 08 8333 8400; Fax: 08 8331 9211; e-mail: vet_req@ncver.edu.au; Web site: <http://www.ncver.edu.au>. For full text: <http://www.ncver.edu.au/cgi-bin/gda.pl?id=2080>.

PUB TYPE Numerical/Quantitative Data (110) -- Reports - Descriptive (141)

EDRS PRICE EDRS Price MF01 Plus Postage. PC Not Available from EDRS.

DESCRIPTORS *College Graduates; Developed Nations; *Education Work Relationship; *Employer Attitudes; Employment Qualifications; Foreign Countries; Job Skills; National Surveys; On the Job Training; *Outcomes of Education; Productivity; *Program Effectiveness; Technical Education; Two Year Colleges; *Vocational Education; Vocational Followup

IDENTIFIERS *TAFE (Australia)

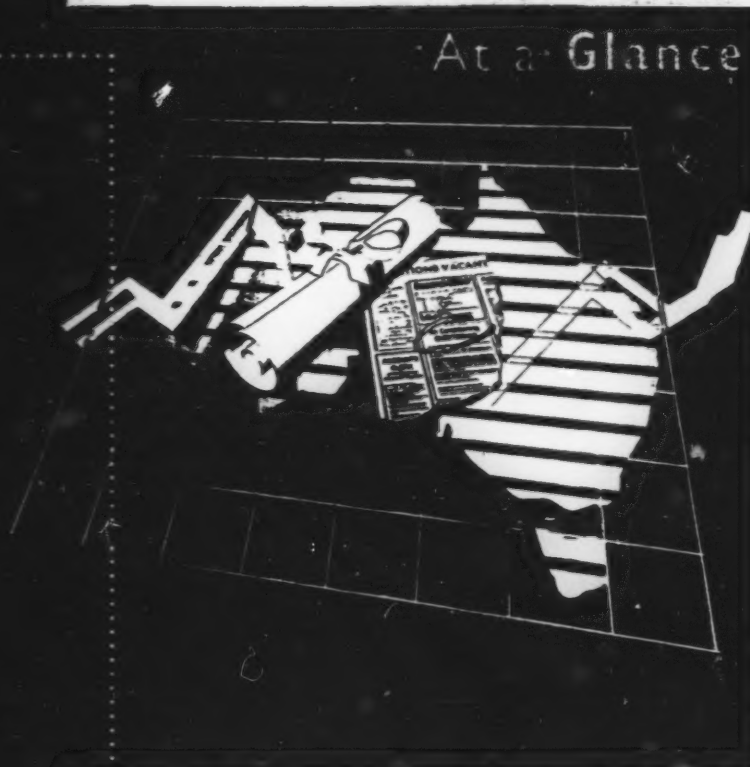
ABSTRACT

The 2001 Australian national Survey of Employer Views on Vocational Education and Training (VET) was similar to earlier studies but included more questions about employers' views about recent VET graduate employees. The survey was a sample survey and provides estimates of the results that would be found had all employers in Australia been interviewed. Highlights of the findings of the survey are the following: (1) overall, about 80 percent of employers of recent VET graduates reported being satisfied to very satisfied with VET providers; (2) more than two-thirds of employers of recent VET graduates thought that the VET system is providing graduates with skills appropriate to employers' needs; (3) 84 percent of employers were very, or quite, satisfied with the skills of graduates; (4) 82 percent of employers were very, or quite, satisfied with VET course delivery; (5) about three-quarters of employers of recent VET graduates believe that training pays for itself through increased worker productivity; and (6) the reason most cited by employers for not having VET graduate employees was that VET qualifications are not relevant to their industry. (KC)

ED 461 724

Survey of Employer Views on Vocational Education and Training

At a Glance



- Over 80% of employers reported that VET graduates were well prepared for the workplace.
- Over 70% of employers reported that VET graduates were well prepared for the workplace.
- Some 84% of employers reported that they were satisfied with the quality of VET graduates.
- Some 81% of employers reported that they were satisfied with the quality of VET graduates.
- A good three quarters (74%) of employers reported that they were satisfied with the quality of VET graduates.
- The reason for not having VET graduates was that VET qualifications were not relevant to their industry.

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About the survey

This report presents the results from the 2001 national Survey of Employer Views on Vocational Education and Training (VET). This is the fourth survey of this nature with previous surveys conducted in 1995, 1997 and 1999. In the first two surveys, in-scope employers were defined as those with at least one employee who had completed a VET course of at least 200 hours within the two years prior to the survey (a recent VET graduate). This group was targeted again in the later surveys; however, in addition, a sample of employers with no VET graduate employees was also surveyed in 1999 and 2001.

Much of the survey questionnaire for the 1997 and 1999 surveys was consistent, enabling comparisons between most of the data produced. For the 2001 survey, a review of the survey content was conducted which resulted in changes to some parts of the questionnaire. Information for both employer groups has been collected about their characteristics, general views on VET and their training practices and is very similar to the 1999 survey. For employers with recent VET graduate employees, additional information has been collected about their views on aspects of course delivery and graduates' skills. The 2001 survey has a stronger focus on graduates' skills compared to earlier surveys.

The Survey of Employer Views on VET was a sample survey and provides estimates of the results which would be found had all employers in Australia been interviewed. Because of this, an allowance for sampling variability should be made when using the results. Comparisons have been made in this publication where they are statistically significant at the 95% confidence level. Figures which have a relative standard error greater than 25% have been marked with an * to indicate they are not reliable for most practical purposes. For more information refer to the technical notes on page 8.

Vocational education delivery

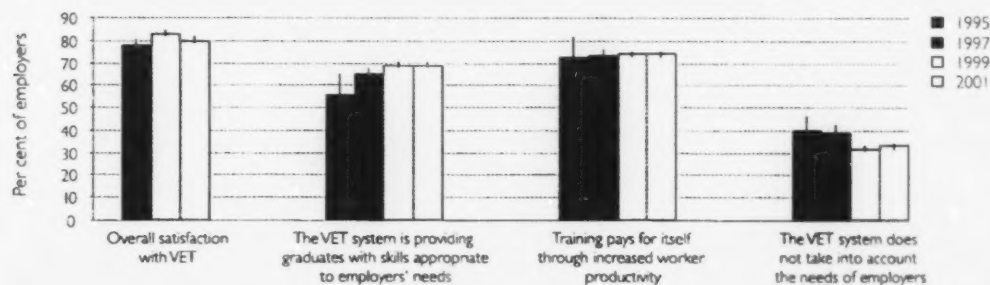
The vocational education and training system in Australia includes publicly and privately funded VET delivered by a wide range of training institutions and enterprises. VET delivery can be on the job, off the job, online and through other flexible delivery methods. The sector has grown enormously over the 1991-2000 decade, up almost 77%, to about 1.75 million students in VET in 2000¹. The estimated total level of public investment in training in 2000 was \$4.16 billion, an increase of 5.6% over 1999².

Employers' views on VET - change over time

Key indicators

Since 1995, the number of businesses employing recent VET graduates has steadily increased. In 1995 the number was estimated to be 63,000, rising to approximately 104,000 in 1997, some 117,000 in 1999, and up further in 2001 to 126,500 businesses with recent VET graduate employees. On the whole, employer views on VET are more positive than in the past, and have remained stable over the last two surveys. This is shown by some key indicators set out in figure 1. Employers' overall satisfaction with VET providers has remained stable over the 1997-2001 period, with around four out of five being satisfied. Compared with 1995, a larger proportion of employers in 2001 agreed or strongly agreed that the VET system is providing graduates with skills appropriate to employers' needs, while the proportion who agreed, or strongly agreed, that training pays for itself through increased productivity has remained stable. Also positive, there has been a decline from 1997 to 2001 in the proportion of employers holding the view that the VET system does not take into account their needs.

Figure 1: Selected key indicators of employers' views on VET, 1995, 1997, 1999 and 2001 (a)



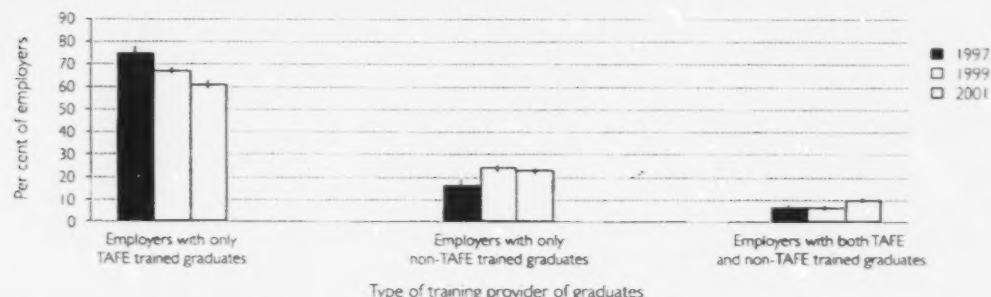
(a) Standard error bars have been included on the figures in this publication and provide an indication of the sampling variability associated with the estimate produced. More information on standard errors is provided in the technical notes on page 8.

1. NCVER 2001, Australian VET Statistics 2000 - at a glance, NCVER, Adelaide.
2. NCVER 2001, Australian Vocational Education & Training, Statistics 2000 Financial Data, NCVER, Adelaide.

Type of training provider

There has been a change in the type of institution at which graduates have received their training. The change shows a decrease in the proportion of employers of recent VET graduates whose graduates all received training at a technical and further education (TAFE) institute. The proportion of employers whose graduates all received training with a private provider remained stable and there was an increase in the proportion of employers who had a mix of TAFE trained and private provider trained graduates. A comparison of the overall satisfaction level for employers of TAFE trained and non-TAFE trained graduates shows little difference between the two groups.

Figure 2: Employers of recent VET graduates by type of training provider of graduates, 1997, 1999, and 2001



Employers' general views on VET

Employers' views on VET were obtained from their level of agreement with a series of statements posed to them during the interview (see table 1 below). Responses generally indicated positive views on VET, although some areas were identified as needing improvement. There were also some differences in views between those employers who had recent VET graduate employees and employers who had no VET graduate employees at all.

On the positive side, most employers (74% and 76%) agreed that training pays for itself through increased worker productivity, which is similar to 1999 (74% and 68%). Also, since 1999, the proportion of employers of recent VET graduates who believe that the VET system does not take their needs into account has been stable (32% and 33%). However, for employers with no VET graduates, fewer agreed with this statement in 2001 (32%) than in 1999 (40%).

Areas viewed less favourably include the adequacy of graduates' literacy and numeracy skills, the assessment process for VET and the amount of work experience or work placement in vocational training. Of employers with recent VET graduates, two-thirds (63%) believe graduates' literacy and numeracy skills are adequate, around three-quarters (75%) believe the assessment process needs to improve to assist employers and some 84% believe there should be more work experience or work placement in vocational training.

Table 1: Employer views on VET

	% agree or strongly agree			
	Employers of recent VET graduates		Employers with no VET graduate employees	
	1999	2001	1999	2001
It is more cost-effective to recruit trained people than to train people on the job	48	46	48	42
On-the-job skills are more useful than skills obtained through formal education	66	63	74	73
The VET system is providing graduates with skills appropriate to employers' needs	69	69	41	43
Training pays for itself through increased worker productivity	74	74	68	76
The VET system needs to provide more practical job skills	77	77	79	74
Employers should have more input into course content	81	80	81	78
The VET system does not take into account the needs of employers	32	33	40	32
It is difficult to tell what a person can actually do from their educational qualifications	68	76	86	81
Qualifications should be based on what the person can actually do, rather than how many years of training they have completed	82	85	84	83
There should be more work experience or work placements as part of vocational training	85	84	86	84
The assessment process for VET needs to be improved to assist employers in comparing the skills of prospective employees	(a)	75	(a)	64
Graduates have adequate literacy and numeracy skills for the demands of the workplace	(a)	63	(a)	53

(a) Not collected prior to 2001

Employers of recent

Overall, there are few significant differences in employer responses between States/Territories.

(a) Note: caution should be exercised when comparing State/Territory information as each jurisdiction has different economic, demographic and social profiles. These factors are likely to have an impact on a range of the employer views reported. For more information, see the technical notes on the last page of this publication.

Australia

The estimated resident population of Australia is just over 19 million with some 64% living in the eight State and Territory capital cities. Results of the 2001 Survey of Employer Views on VET include:

- 80% indicated they were very satisfied or satisfied with VET providers
 - 74% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 69% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 81% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

Northern Territory (a)

The Northern Territory has 1.0% of Australia's population. Results of the 2001 Survey of Employer Views on VET include:

- 71% indicated they were very satisfied or satisfied with VET providers
 - 70% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 67% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 80% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

Western Australia (a)

Western Australia has 9.8% of Australia's population. Results of the 2001 Survey of Employer Views on VET include:

- 71% indicated they were very satisfied or satisfied with VET providers
 - 67% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 61% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 72% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

South Australia (a)

South Australia has 7.8% of Australia's population. Results of the 2001 Survey of Employer Views on VET include:

- 75% indicated they were very satisfied or satisfied with VET providers
 - 80% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 65% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 80% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

VET graduates



Queensland (a)

Queensland has 18.7% of Australia's population.

Results of the 2001 Survey of Employer Views on VET include:

- 82% indicated they were very satisfied or satisfied with VET providers
 - 75% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 69% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 84% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

New South Wales (a)

New South Wales has 33.7% of Australia's population.

Results of the 2001 Survey of Employer Views on VET include:

- 82% indicated they were very satisfied or satisfied with VET providers
 - 71% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 69% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 85% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

Australian Capital Territory (a)

The Australian Capital Territory has 1.6% of Australia's population.

Results of the 2001 Survey of Employer Views on VET include:

- 73% indicated they were very satisfied or satisfied with VET providers
 - 87% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 79% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 69% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

Tasmania (a)

Tasmania has 2.4% of Australia's population.

Results of the 2001 Survey of Employer Views on VET include:

- 84% indicated they were very satisfied or satisfied with VET providers
 - 75% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 70% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 74% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

Victoria (a)

Victoria has 24.9% of Australia's population.

Results of the 2001 Survey of Employer Views on VET include:

- 78% indicated they were very satisfied or satisfied with VET providers
 - 82% strongly agreed or agreed that training pays for itself through increased worker productivity
 - 72% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
 - 76% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.
-

Employers of recent VET graduates

Table 2: Employers satisfied to very satisfied by industry

Industry	% satisfied to very satisfied
Agriculture	74
Mining	77
Manufacturing	76
Electricity, gas, water	95
Construction	88
Wholesale trade	89
Retail trade	73
Accom./cafes/restaurants	86
Transport/storage	85
Communication services	95
Finance/insurance	80
Property/business services	75
Gov't./admin./defence	77
Education	82
Health/community services	80
Culture/recreation services	81
Personal/other services	80
Total	80

Table 3: Employers of recent VET graduates

Graduates' skills	% very or quite satisfied	% rating aspect highest priority for improvement
Ability to use initiative	68	15
Oral communication	76	13
A professional approach to work	76	13
Problem-solving skills	68	12
Practical job skills	75	11
A positive attitude towards work	77	9
Ability to work as part of a team	79	7
Ability to adapt to changes in the workplace	69	5
Ability to work with minimal supervision	74	5
Computer skills	51	5
Ability to use current technology in the workplace	69	4
Graduates' work ethic	90	n.a.

Overall employer satisfaction with VET providers

Table 2 shows the percentage of employers in each industry who, on a scale of 1-10, gave a rating of 6 or more for their level of satisfaction with VET providers.

Among the more satisfied industries were:

- Electricity, gas and water (95%)
- Communication services (95%)
- Wholesale trade (89%)
- Construction (88%)

Among the less satisfied industries were:

- Retail trade (73%)
- Agriculture (74%)
- Property/business services (75%)
- Manufacturing (76%)

The industry in which employers' overall satisfaction has increased most is electricity, gas and water. In 2001, 95% of employers in this industry were satisfied with VET providers compared with 56% in 1999. Manufacturing, on the other hand, has been among the less satisfied industries in both 1999 (75%) and 2001 (76%).

Satisfaction with VET delivery and highest priority for improvement

The survey focuses on the difference between those employers with direct experience of vocational education and training and others. Employers of recent VET graduates were divided into two groups based on whether they had contact with these graduates during their course. This was determined by whether the graduate(s) had completed their training course before or after they commenced their current employment. Employers in both groups were asked for their views on their graduates' skills, while employers with at least one graduate who completed their course after commencing their current employment were asked additional questions on their views about course delivery.

Graduates' skills

Table 3 shows employers' satisfaction with selected aspects of graduates' skills and the skills employers believe are most in need of improvement. Employers were more likely to be satisfied with the work ethic (90%) and their graduates' ability to work as part of a team (79%). Among the skills employers were less likely to be satisfied with were graduates' problem-solving skills and ability to use initiative (both 68%). Ability to use initiative (15%) and oral communication and a professional approach to work (both 13%) were more likely to be reported by employers as being the skills they would most like to see improved. Although just half of employers were satisfied with graduates' computer skills (51%), a relatively high proportion (17%) reported that they were unable to comment on this aspect of graduates' skills.

Course delivery

Table 4 shows that, of the aspects of course delivery, employers were more likely to be satisfied with relevance of course content (78%) and less likely to be satisfied with teacher industry experience (64%). Also, while the majority were satisfied with the relevance of course content, this was more likely to be reported as being most in need of improvement (29%), along with course balance between theory and practice (26%),

Table 4: Employers of recent VET graduates, at least one, of whom finished their course after commencing their current employment.

Course delivery	% very or quite satisfied	% rating aspect highest priority for improvement
Relevance of course content	78	29
Course balance between theory and practice	70	26
Teacher industry experience	64	20
Method of assessment	67	14
Teacher ability	67	10

Employers with no VET graduate employees

Employers with no VET graduate employees were asked the reasons their organisation did not employ any. Some employers gave more than one reason. Table 5 shows that employers' most-cited reason was that the qualifications are not relevant to their industry (58%).

Of employers who gave this reason, 52% said no qualifications at all were needed for the work they do, and a further 26% said the work of their business required higher/university qualifications.

Table 5: Reasons for not employing VET graduates

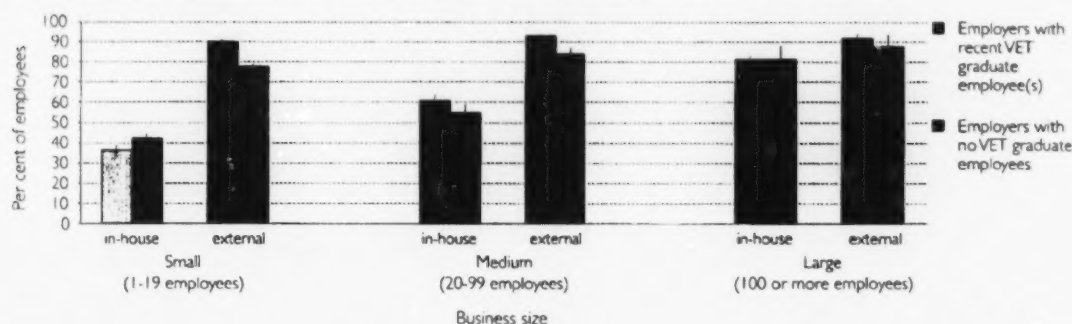
	%
These qualifications are not relevant to our industry (eg, Law Firm)	58
All our training requirements are provided in-house	15
Fully qualified people not required, staff attend only the modules relevant to our operations	10
Have staff currently studying for such qualifications	8
Not aware of training available to suit our requirements	6
We have not been happy with the quality of VET qualifications	1*
Other	8
Don't know	4

Selected training practices

Employer-provided training

Although training patterns are similar for both employer groups, those with recent VET graduates were, generally, more likely to have subsidised or paid for employees' training in the 12 months prior to the survey. Employers were asked about in-house training; that is, organised by the employer using their own staff or training consultants. They were asked about external training; that is, organised and conducted at venues outside the workplace by training/educational establishments, or private consultants. Both employers of recent VET graduates and those with no VET graduates tended to provide more external training than in-house training. Business size did not appear to be a factor in the level of external training provided, while in-house training was more likely to be provided by large and medium businesses.

Figure 3: Employers who subsidised or paid for employees' training by business size and type of training

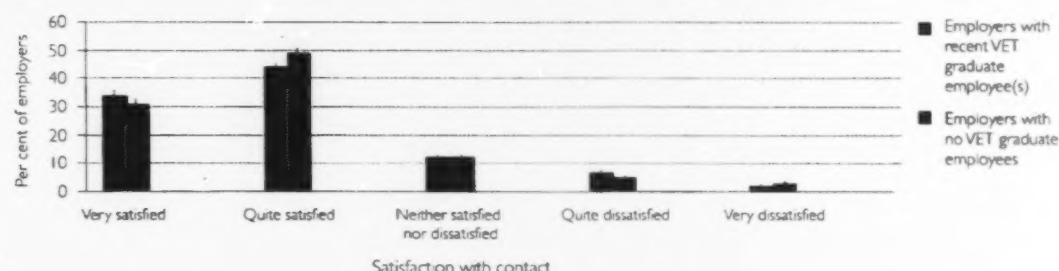


Employer contact with training providers

Generally employers reported low levels of contact with providers, although, as could be expected, employers of recent VET graduates were more likely to have had some form of contact with providers than employers with no VET graduates (62% compared to 24%). Of those who had some form of contact, around half (53%) of employers of recent VET graduates and a third (30%) of employers with no VET graduates said they would like more contact with providers.

Employers who reported having some form of contact with training providers were also asked how satisfied they were with the form of contact. As shown in figure 4, the majority of these employers (78% and 80%) were either very satisfied or quite satisfied with the form of contact they had with providers.

Figure 4: Employers who have contact with training providers by satisfaction with form of contact



Technical notes on the survey

The Survey of Employer Views on VET was a sample survey, and provides estimates of the results that would be found had all employers in Australia been interviewed. Because of this, an allowance for sampling variability should be made when using the results. Sampling variability can be measured by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of employers was included. There are about two chances in three that a sample estimate will differ by less than one standard error and about 19 chances in 20 that the difference will be less than two standard errors.

Another measure of sampling variability is the relative standard error, obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling and avoids the need to refer also to the size of the estimate. Unless otherwise footnoted, the estimates in this publication have a relative standard error of less than 25%.

In terms of confidence intervals, we can be 95% confident that the true percentage value lies within two standard errors of the estimated percentage. For example, in figure 4 above, the line at the end of each bar (confidence interval line) shows the range for two standard errors. These confidence interval lines can be used to determine whether there are statistically significant differences among values. In general, values with confidence interval lines that do not overlap indicate a significant difference exists at the 95% confidence level (for example, proportions in the two groups of employer who were 'quite satisfied' in figure 4).

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ISBN: 0 87397 769 6 (print edition)
ISBN: 0 87397 770 X (web edition)
TD/TNC: 67.13